



# Fleet Management Department

FY2016 Budget Presentation

Victor W. Ayres – Director

June 3, 2015





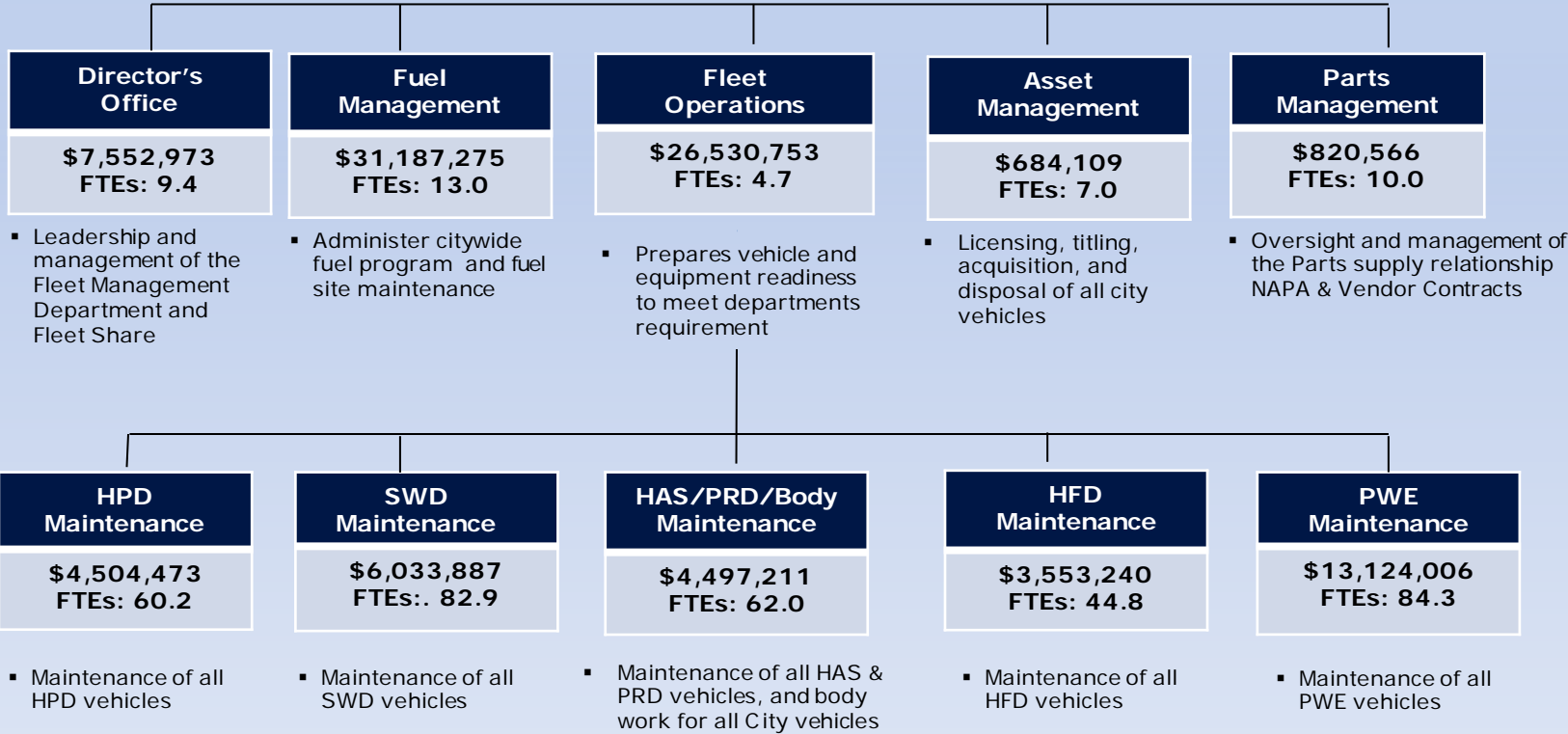
# Fleet Management Department Organizational Chart FY2016



## Fleet Management Department, Victor W. Ayres

**\$98,488,493**  
**FTEs 378.3**

Finance Department  
Human Resources  
General Services  
HITS





# Fleet Management Department FY2015 Accomplishments



- Awards and Recognition
  - Leading Fleet, top 20 ~*Government Fleet Magazine*
  - #26 fleet in the nation ~*100 Best Fleets/American City and County*
  - Green Fleet ~*100 Best Fleets*
  - Sustainability All-Star ~*Government Fleet Magazine*
- FleetShare
  - Over 50% increase in utilization; expanded to 84 vehicles at 15 locations
  - Reduced fleet by 44 vehicles
  - 90% of survey respondents rated program positively
- Fleet Operations
  - Reduced overall average repair cost per vehicle 9%
  - Increased average operational readiness rate of critical vehicles
  - Introduced aggressive PM (Preventative Maintenance) program





# Fleet Management Department FY2015 Accomplishments



- Alternative Fuel
  - Purchased Hybrid and CNG SWMD vehicles
  - Purchased 3 propane pickup trucks and 8 mowers for PWE
- Fuel Management
  - Implemented small site supplemental fuel deliveries
  - Automated 8 additional sites with Fuel Force system





# Fleet Management Department FY2016 Initiatives



- Goal to double Fleet Share
- Expand vehicle tracking program
- Tire disposal process
- Conduct safety inspections with HR Dept.
- Continue to assess alternative fuel technologies





# Fleet Management Fund 1005

## Summary (in millions)



Fund	Revenue FY15 Current Budget	Revenue FY16 Proposed	+/- \$/%	Expenditure FY15 Current Budget	Expenditure FY16 Proposed	+/- \$/%	Fund Balance FY15 Budget <sup>2</sup>	Fund Balance FY16 Prop. <sup>2</sup>
FIN - Fleet Management Fund 1005 <sup>1</sup>	\$1.3	\$0.0	-\$1.3 / -100.0%	\$1.3	\$0.0	-\$1.3 / -100.0%	\$0.00	\$0.00
FMD - Fleet Management Fund 1005	\$96.8	\$98.5	\$1.7 / 1.8%	\$96.8	\$98.5	\$1.7 / 1.8%	\$0.00	\$0.00
Fund 1005	\$98.1	\$98.5	\$0.4 / 0.4%	\$98.1	\$98.5	\$0.4 / 0.4%	\$0.00	\$0.00

1. In FY2016 Fleet Management support will be reported in the Central Service Revolving Fund (Fund 1002)
2. The Fleet Management Fund 1005 is a service charge back fund, where all expenses of the department are charged backed to client departments based on service delivery, thus resulting in a \$ 0.0 fund balance at year end.



# Total Revenues/Expenditures by Fund



Fund	FY14 Actual	FY15 Current	FY15 Estimates	FY16 Proposed	+/- \$/% FY15 vs FY16 <sup>3</sup>	FTEs FY15 Budget	FTEs FY16 Prop.
PWE - Fleet Management Fund 1005 <sup>1</sup>	\$9.1	\$0.0	\$0.0	\$0.0	\$0/ 0.0%	0	0
FIN - Fleet Management Fund 1005 <sup>2</sup>	\$0.9	\$1.3	\$1.3	\$0.0	\$0 / 0%	12.2	0
FMD - Fleet Management Fund 1005	\$85.7	\$96.8	\$94.1	\$98.5	\$1.7 / 1.8%	375	378.3
Fund 1005	\$95.7	\$98.1	\$95.4	\$98.5	\$0.4 / 0.4%	387.2	378.3

1. PWE consolidation occurred 01/04/2014
2. In FY2016 Fleet Management support will be reported in the Central Service Revolving Fund (Fund 1002)
3. FY15 Current Budget vs. FY16 Proposed Budget expenditures



# FY2016 – Revenues/Expenditures Impacts



- **Fleet Management Fund 1005:**

Parts & Equipment	\$	1,460,896
Indirect Cost Recovery	\$	330,875
Pension: 2% rate increase	\$	252,852
Others	\$	17,460
Fuel	\$	(391,195)
<b>Total FY2016 Impact</b>	<b>\$</b>	<b>1,670,888</b>

- The Fleet Management Fund 1005 is a Cost Reimbursement fund. Revenues are charged to the Client Departments to meet expenditures. This results in Revenues equaling Expenditures.





# FY16 Performance Measures

## FMD Fund 1005

Performance Measure	Priorities	FY14 Actual	FY15 Budget	FY15 Estimate	FY16 Budget
Average Age of Fleet	F	8.6	7.0	8.7	7.0
Average Fuel Cost per Vehicle	I,F	\$2,940	\$2,940	\$2,568	\$2,496
Average Repair Cost per Vehicle	I,F	\$4,656	\$4,740	\$4,224	\$4,080
Fleet Share Vehicle Availability	F	99%	99%	99%	99%
Maintain Operational Readiness	P,I	95%	95%	95%	95%
Preventative Maintenance Every 90 Days	P,I	96%	99%	99%	99%
Vehicle in the City's Fleet	I,F	12,032	11,958	11,788	11,462
Expenditures Budget vs Actual Utilization	F	101%	100%	97%	100%
Revenues Budget vs Actual Utilization	F	106%	100%	97%	100%

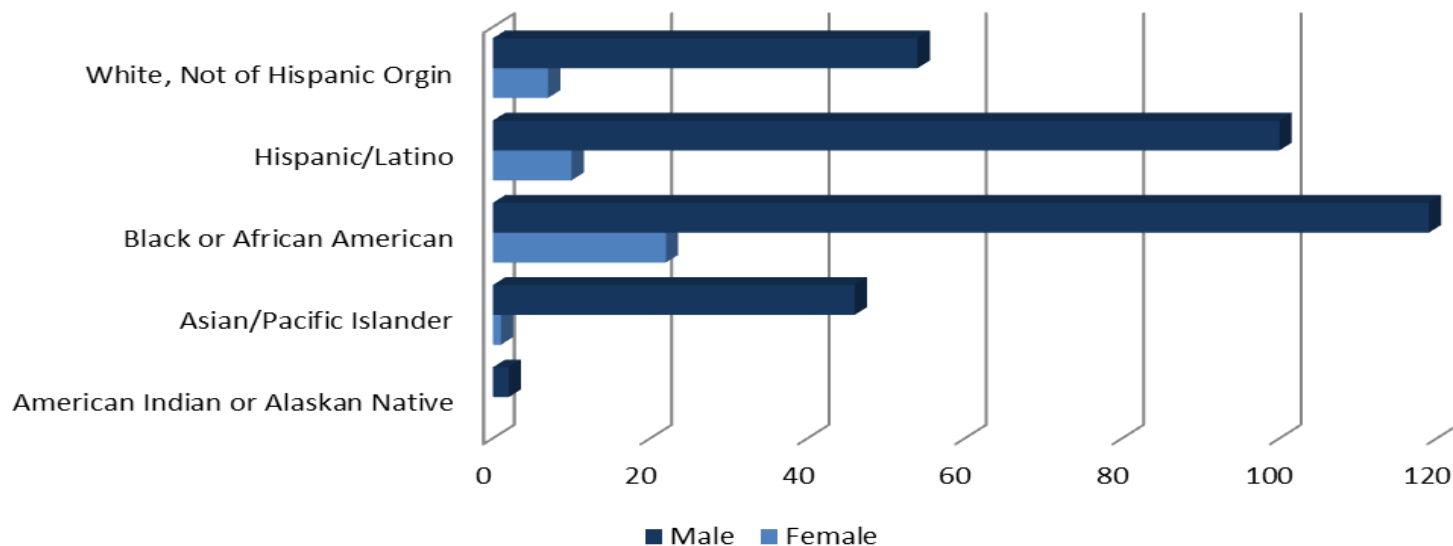


# Questions?





# Appendix-Demographics



Ethnicity	Gender	
	Female	Male
NATIVE AMERICAN/ALASKAN NATIVE	0	2
ASIAN OR PACIFIC ISLANDER	1	46
BLACK, NOT OF HISPANIC ORIGIN	22	119
HISPANIC	10	100
WHITE, NOT OF HISPANIC ORIGIN	7	54
TOTAL	40	321

Source: SAP @05/11/2015  
Employee status: 359 full time, 2 part-time



# Appendix-Core Services Matrix

## FMD – FY 2016

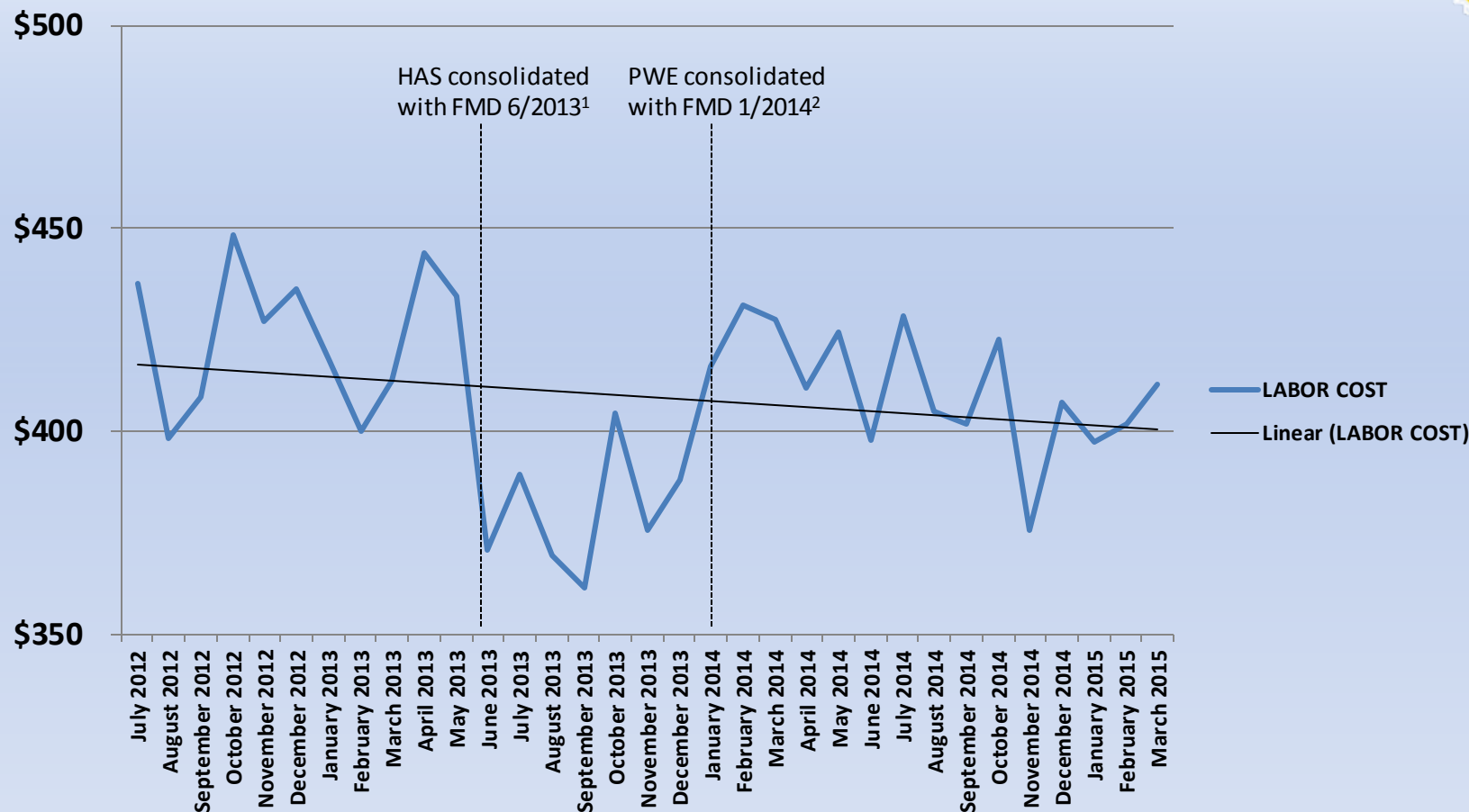


Activities	Annual Projected Personnel Cost	Annual Projected Supplies / Services/Capital Cost	Annual Total Cost	Annual Projected FTEs	Mandated	Direct Service	Administrative	Fund	Description
Director's Office	883,303	6,669,670	7,552,973	9.4	X		X	1005	Provides overall Leadership and Management of the Fleet Management Department and Fleet Share.
Fuel Management	1,111,507	30,075,768	31,187,275	13.0	X	X		1005	Purchases of Fuel for the City and maintains Fuel sites.
Asset Management	679,220	4,889	684,109	7.0	X	X		1005	Licensing, Titling, Acquisition and Disposal of all city vehicles.
Parts Management	820,496	70	820,566	10.0	X	X		1005	Oversight and management of the Parts supply contracts, purchase orders, and P-card.
Fleet Operations	24,827,866	33,415,704	58,243,570	338.9	X	X		1005	Maintenance of all City vehicles.
<b>TOTAL</b>	<b>\$28,322,392</b>	<b>\$70,166,101</b>	<b>\$98,488,493</b>	<b>378.3</b>					



# Appendix- Labor Repair Cost Per Vehicle

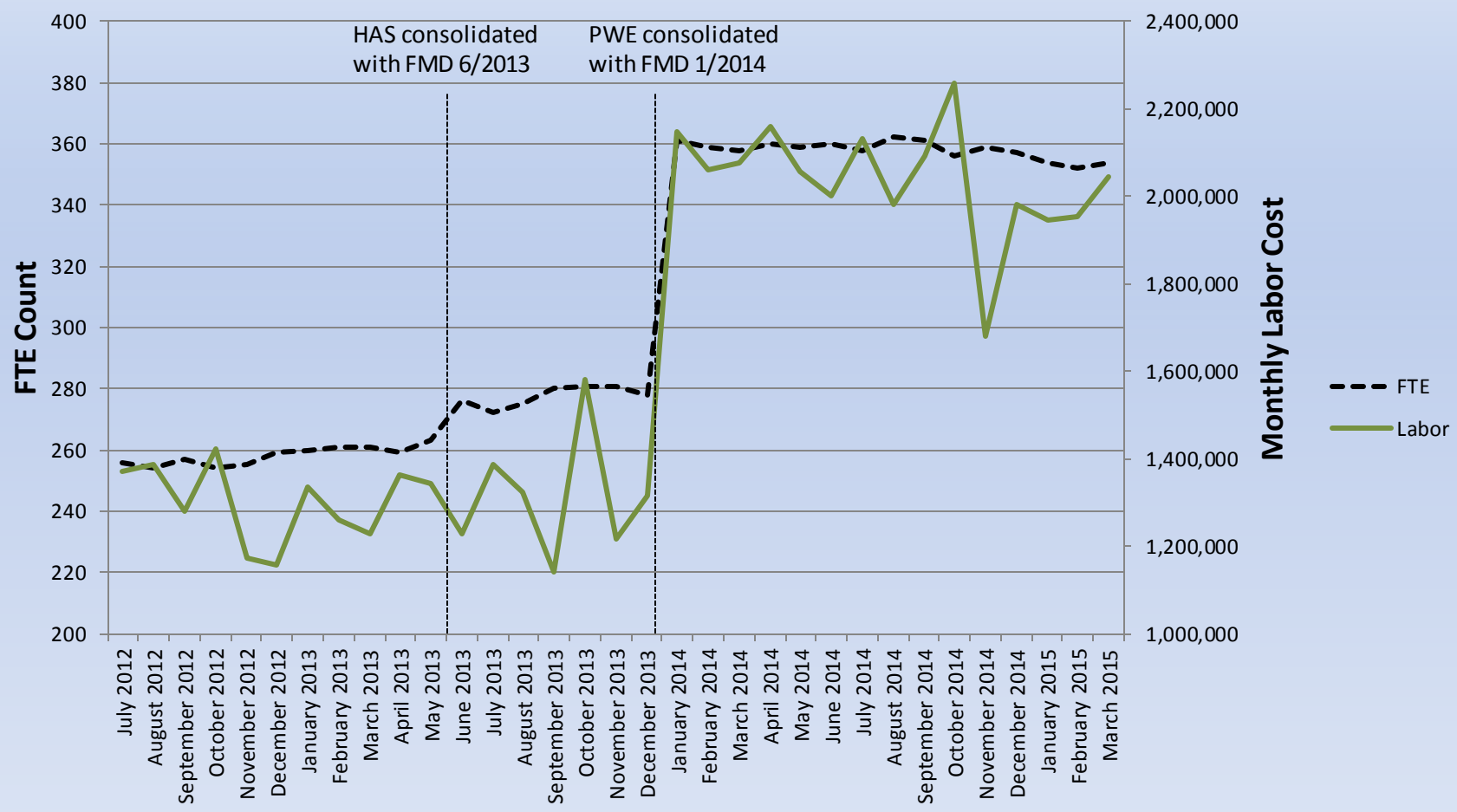
## 33 Month Total Labor Repair Cost Trend: Decrease of 5.7%



1. HAS had several smaller vehicles with lower Labor Cost join FMD to lower the Labor Cost
2. PWE's Labor cost to the larger vehicles increase the Labor cost per unit.



# Appendix- Monthly Labor Repair Cost & FTE Count



Note: The increase is due to the consolidation of PWE to FMD in January 2014





# Appendix-Fuel Cost Impact

## Fuel Cost Impact FY2013 to FY2016

Total Gallons	Total Gallons	Cost/Gal	Total Cost
<b>FY13 Actual</b>	<b>10,215,832</b>	<b>\$3.22</b>	<b>\$32,880,814</b>
<b>FY14 Actual</b>	<b>10,341,353</b>	<b>\$3.14</b>	<b>\$32,517,236</b>
<b>FY15 Budget</b>	<b>10,393,115</b>	<b>\$2.87</b>	<b>\$29,828,239</b>
<b>FY15 Estimate</b>	<b>10,366,971</b>	<b>\$2.87</b>	<b>\$29,705,275</b>
<b>FY16 Budget</b>	<b>10,388,671</b>	<b>\$2.83</b>	<b>\$29,437,043</b>



# Appendix- Cost Impact

**City of Houston Average Annual Parts Cost / Vehicle**  
**FY13 to FY16 Proposed Budget**  
**Parts Cost / Vehicle Linear Trend : 4.7% increase**

